would increase non-defense, non-emergency spending by $22.5 billion for next fiscal year, with such spending to rise 2.4 percent in each of the next three years. To pay for these increases, the resolution would raise taxes by close to $400 billion over five years—about $100 more than what was passed in the Senate.''

Heavens, I said to myself, what can Robert Novak possibly be talking about? The Democrats budget (pdf, h/t The Gavel) does not actually contain any tax increases:

And yet this claim that the Democrats' budget contains a tax increase is being cited all over the place. So what's up?

Novak gives us a clue:

''It had been assumed that the new Democratic majority would end President Bush's relief in capital gains dividend and estate taxation. The simultaneous rollback of Bush-sponsored income tax cuts was a surprise.''

Ah, Rolling back the Bush tax cuts. But wouldn't that still require some actual changes in revenues from the baseline projections? A GOP Budget Caucus press release gives us further details:

Note that word 'automatic'. It's quite worrying. How did the Democrats manage to create an automatic tax increase? Don't tax increases normally have to be enacted? I hope so. It would be awful if tax increases could just happen automatically. Come to think of it, it would be even worse if it turns out that this isn't confined to the tax code, and all sorts of laws could be passed automatically. I mean, who knows what the U.S. Code might decide to do to itself, without the intervention of any human agent? We could wake up one morning to find that ping pong had been automatically criminalized, or that a requirement that all Americans wear silly clown costumes had automatically come into force, or that all our national parks had automatically sold themselves to WalMart. The possibilities are horrifying.

Imagine my relief when I realized what was actually going on. The Bush tax cuts are set to expire automatically. They were written that way. What the Democrats are proposing to do is simply not to change this.

Moreover, guess who wrote these sunset provisions into the tax increases? The Republicans, that's who. They were trying to make the tax increases seem less fiscally ruinous than they were, so they made them last only so long before they expired. (This is why I expect 2010 to produce a spike in mortality among the very rich; the heirs of people who die during 2010 pay no estate tax; the heirs of people who die in 2011 pay 50% on all the money they inherit above the level at which the estate tax kicks in. As Paul Krugman said, ''That creates some interesting incentives. Maybe they should have called it the Throw Momma From the Train Act of 2001.'')

So here's what Novak's ''largest tax increase in U.S. history'' actually comes to the Republicans passed a series of tax cuts that they set up to expire. They intended to make them permanent, but never got around to it. The Democrats are proposing to leave their tax cuts alone. But this counts as a tax increase, apparently on the grounds that whatever Republicans sorta kinda thought they were going to do, but never actually got around to doing, counts as already done, and anyone who proposes to leave things alone counts as undoing the things they were intending to do.

That's a fun way to think. Maybe we should also count the Democrats as having dramatically increased the budget deficit, on the grounds that the Republicans kinda sorta said they were going to make it go away, so even though they didn't, we should act as though they did and compare whatever deficits the Democrats incur to the Republicans' imaginary balanced budget. Maybe, if things in Iraq continue to go badly, we should compare that not to the situation when the Democrats took over, but to the situation that would have obtained if the Republicans had in fact produced a beacon of democracy that transformed the Middle East, and say: hey, you awful Democrats, we were being greeted with flowers and candy, and hailed as liberators, and now look what's happened to Baghdad!!!!

Or maybe we should try living in the real world. The Democrats are proposing to leave tax laws written and enacted by Republicans alone. That does not count as increasing taxes.

Michaelena Whittaker: Thursday April 5, 2007, 11:21 am

Ditto, Blue . . . it' all a political ploy, as usual (''High Treason'' has been THE neocon agenda since the 80's.)

Indigo Star Nation: Saturday April 7, 2007, 11:14 pm

Impeachment is the only way to end these atrocities and reclaim America's conscience and honor.

http://www.care2.com/c2c/groups/disc.html?gpp=11736&pst=633140

Read this thread and take action to impeach.

Also follow my news shares on withholding your taxes as a protest.

SMALL BUSINESS TAX BURDEN

Ms. SNOWE. Mr. President, today millions of taxpayers, many owners of small businesses, will file their income tax returns while some States in the Northeast, including my home State of Maine, have rightfully been given an additional 48 hours to file due to the devastating storms resulting in disastrous flooding, wind damage, and power outages.

As citizens file their taxes this week, I am very happy to say that a wide majority of Mainers and Americans alike will be fully compliant in reporting the appropriate amount of income, with the Internal Revenue Service estimating 84 percent of taxpayers are compliant. The unfortunate flip side to that statistic is that 16 percent of taxpayers either fail to report income or underreport income and thus fail to pay all the taxes owed. This misreporting of income has resulted in a $345 billion gross tax gap, which is the difference between taxes owed and paid.

Unquestionably, we must ensure that taxes owed are taxes paid. While the Congressional Budget Office, CBO, projects a deficit of around $200 billion this fiscal year without any abatement through 2011, the fact remains that narrowing the tax gap would help reduce the deficit—plain and simple.

Not only does the tax gap prevent us from balancing the budget, equally disturbing is how noncompliance breeds disrespect for the tax system and can lead to the further shirking of obligations. The result could be that, to fill the gap, law-abiding taxpayers would have to pay higher taxes. Consider the following: According to preliminary IRS data, for 2005, taxpayers filed 134.5 million individual income tax returns. If we were to shrink the tax gap, each of those returns would have to be assessed additional tax in the amount of $2,566. I would not want to be in position to ask my constituents for more of their hard-earned money, especially to cover those who are not paying their fair share.

Last year, the Treasury Department issued ''A Comprehensive Strategy for Reducing the Tax Gap.'' This document astutely points out, the Tax Code's complexity is itself a significant source of noncompliance. The current Tax Code costs the Government revenue since even those who try their best to follow the rules, often end up underpaying tax because the rules are too complicated and difficult to decipher. Therefore, any solution to the tax gap must also require simplifying the Tax Code.

A top priority I hear from small businesses across Maine and this country is the need for tax relief. Despite the fact that small businesses are the real job-creators for Maine's and our Nation's economy, the current tax system is placing an entirely unreasonable burden on them when trying to satisfy their tax obligations. The current Tax Code imposes a large, and expensive, burden on all taxpayers in terms of satisfying their reporting and record-keeping obligations. The problem, though, is that small companies are disadvantaged most in terms of the money and time spent in satisfying their tax obligation.

For example, according to the Small Business Administration's Office of Advocacy, small businesses spend an astounding 8 billion hours each year complying with Government reports. They also spend more than 80 percent of this time on completing tax forms. What's even more troubling is that companies that employ fewer than 20 employees spend nearly $1,304 per employee in tax compliance costs, an amount that is nearly 67 percent more than larger firms. A recent survey by the National Federation of Independent Businesses found that 88 percent of small-employer taxpayers used a tax professional and the two reasons small-employer taxpayers most frequently cite for using tax professionals are to assure compliance and the complexity of the law.

For that reason, I have introduced a package of proposals that will provide not only targeted, affordable tax relief to small business owners, but also simpler rules under the Tax Code. By simplifying the Tax Code, small business owners will be able to satisfy their tax obligation in a cheaper, more efficient manner, allowing them to be able to devote more time and resources to their business.

I have introduced legislation, S. 269, in response to the repeated requests from small businesses in Maine and from across the Nation to allow them to expense more of their investments, like the purchase of essential new equipment. My bill modifies the Internal Revenue Code by doubling the amount a small business can expense from $100,000 to $200,000, and make the provision permanent, as President Bush proposed this change in his fiscal year 2007 tax proposals. With small businesses representing 99 percent of all employers, creating 75 percent of net new jobs and contributing 51 percent of private-sector output, their size is the only ''small'' aspect about them.

By doubling and making permanent the current expensing limit and indexing these amounts for inflation, this bill will achieve two important objectives. First, qualifying businesses will be able to write off more of the equipment purchases today, instead of waiting 5, 7 or more years to recover their costs through depreciation. That represents substantial savings both in dollars and in the time small businesses would otherwise have to spend complying with complex and confusing depreciation rules. Moreover, new equipment will contribute to continued productivity growth in the business community, which economic experts have repeatedly stressed is essential to the long-term vitality of our economy.

Second, as a result of this bill, more businesses will qualify for this benefit because the phase-out limit will be increased to $800,000 in new assets purchases. At the same time, small business capital investment will be pumping more money into the economy. This is a win-win for small business and the economy as a whole and I am pleased to have Senators LOTT, ISAKSON, CHAMBLISS and COLLINS join me as cosponsors of this legislation.

Another proposal that I have introduced with Senators LINCOLN and LOTT, the Small Business Tax Flexibility Act of 2007, S. 270, will permit start-up small business owners to use a taxable year other than the calendar year if they generally earn fewer than $5 million during the tax year.

Specifically, the Small Business Tax Flexibility Act of 2007 will permit more taxpayers to use the taxable year most suitable to their business cycle. Until 1986, businesses could elect the taxable year-end that made the most economic sense for the business. In 1986, Congress passed legislation requiring partnerships and S corporations, many of which are small businesses, to adopt a December 31 year-end. The Tax Code does provide alternatives to the calendar year for small businesses, but the compliance costs and administrative burdens associated with these alternatives prove to be too high for most small businesses to utilize.

Meanwhile, C corporations, as large corporations often are, receive much more flexibility in their choice of taxable year. A C corporation can adopt either a calendar year or any fiscal year for tax purposes, as long as it keeps its books on that basis. This creates the unfair result of allowing larger businesses with greater resources greater flexibility in choosing a taxable year than smaller firms with fewer resources. This simply does not make sense to me. My bill changes these existing rules so that more small businesses will be able to use the taxable year that best suits their business.

To provide relief and equity to our Nation's 1.5 million retail establishments, most of which have less than five employees, I have introduced a bill, S. 271, with Senators LINCOLN, HUTCHISON, and KERRY that reduces from 39 to 15 years the depreciable life of improvements that are made to retail stores that are owned by the retailer. Under current law, only retailers that lease their property are allowed this accelerated depreciation, which means it excludes retailers that also own the property in which they operate. My bill simply seeks to provide equal treatment to all retailers.

Specifically, this bill will simply conform the Tax Codes to the realities that retailers on Main Street face. Studies conducted by the Treasury Department, Congressional Research Service and private economists have all found that the 39-year depreciation life for buildings is too long and that the 39-year depreciation life for building improvements is even worse. Retailers generally remodel their stores every 5 to 7 years to reflect changes in customer base and compete with newer stores. Moreover, many improvements such as interior partitions, ceiling tiles, restroom accessories, and paint, may only last a few years before requiring replacement.

Finally, I joined Senator BOND in introducing S. 296 that will simplify the Tax Code by permitting small business owners to use the cash method of accounting for reporting their income if they generally earn fewer than $10 million during the tax year. Currently, only those taxpayers that earn less than $5 million per year are able to use the cash method. By increasing this threshold to $10 million, more small businesses will be relieved of the burdensome recordkeeping requirements that they currently must undertake in reporting their income under a different accounting method.

This package of proposals are a tremendous opportunity to help small enterprises succeed by providing an incentive for reinvestment and leaving them more of their earnings to do just that. Notably, providing tax relief by passing these simplification measures will also help us reduce the tax gap by increasing compliance. I urge my colleagues to join me in supporting these proposals.

ADDITIONAL STATEMENTS

INVENT IOWA PROGRAM

• Mr. HARKIN. Mr. President, on April 21, some 360 young Iowa inventors will gather at Hilton Coliseum on the campus of Iowa State University for the Invent Iowa 2007 State Invention Convention. This gathering will mark the 20th year for Invent Iowa.

Over the last two decades, thousands of Iowa students have participated in this important statewide event. The annual Invention Convention has showcased the skill, imagination and creativity of some of our best and brightest—and most creative—youngsters.

From the Motorized Guinea Pig Walker invented by Nicholas Schrunk of Spirit Lake to the Oops! Proof No-spill Feeding Bowl invented by Alexis Abernathy of Cedar Rapids, students have created innovative solutions to everyday problems.

In Nicholas' case, he needed to figure out a way for his guinea pig, Freckles, to get some exercise without running around the house and annoying his mother. Alexis got the idea for her invention by watching a 2-year-old child spill his cereal again and again. These two inventions were creative solutions that earned recognition for the young inventors. In the last 20 years, there have been thousands of other inventions.

Each year, approximately 30,000 Iowa students begin the journey to the State Convention by participating in local and regional competitions. The staffs from Iowa's Area Education Agencies do a tremendous job working with educators on curriculum ideas and setting up the regional events. Since the inception of the program in 1987, more than half a million students have participated in Invent Iowa.

The seed for Invent Iowa was planted at a statewide conference I sponsored in conjunction with Iowa State University in 1986 on the future of Iowa communities. In his keynote address, David Morris from the Institute for Local Self-Reliance focused on the need to rekindle the spirit of innovation in the United States, and he also spoke of his experience as a judge for the Minnesota Metropolitan Young Inventor's Fair. Following that event, my office, led by Dianne Liepa, began working with Carol McDanolds Bradley at the Iowa Department of Education, statewide education groups, nonprofit organizations and businesses to form a steering committee to establish a statewide invention program for students. Invent Iowa was born.

In 1989, the Invent Iowa Board of Directors contracted with the Belin-Blank Center for Gifted Education and Talent Development at the University of Iowa to serve as the home for the organization's State coordinator. Eleven years later, Invent Iowa would become a program under the full direction of Belin-Blank. Under the leadership of the dedicated staff at Belin-Blank, Invent Iowa has grown and flourished.

In particular, I would like to salute the excellent work of Dr. Nicholas Colangelo, director of the Belin-Blank Center, and Dr. Clar Baldus, who serves a dual role as administrator of Rural Schools Programs and Inventiveness Programs at Belin-Blank as well as State coordinator for Invent Iowa. They have been tireless advocates for the program and are dedicated to its success far into the future.

Invent Iowa is a great program, and I am very proud to recognize all of the